

COUNTY COUNCIL

00-65

OF

HARFORD COUNTY, MARYLAND

BILL NO. 00-65

Introduced by ~~Council President Hirsch at the request of the County Executive~~

Legislative Session Day No. 00-35

Date: December 12, 2000

AN ORDINANCE to authorize and empower Harford County, Maryland to borrow, on its full faith and credit, and issue and sell its bonds or other form of indebtedness therefore, in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) principal amount, the proceeds thereof to be used for the acquisition remediation (including removal of asbestos and petroleum products), demolition, and transportation of rubble and debris for the real property and improvements known as Washington Court Apartments, Edgewood, Harford County, Maryland generally described on Tax Map 65, Parcel 245 on Cedar Drive, Edgewood, Maryland, containing 13.91 acres, more or less as described in the Bill No. 00-16, The Annual Budget and Appropriation Ordinance, for the year ending June 30, 2001 as amended by Bill No. 00-62, passed by the County Council of Harford County, Maryland prior to the passage of this Bill, and as described in this Ordinance (collectively the "Project") in accordance with Section 524 of the Charter of Harford County ("Charter") and Section 123-40 of the Code of Harford County ("Code") or as otherwise permitted by law, authorizing the County

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled
on: January 9, 2001

at: 7:00 p.m.

By Order: James E. Massey Jr., Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on January 9, 2001, and concluded on January 9, 2001.

James E. Massey Jr., Council Administrator

00-65

**COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND**

BILL NO. 00-65

Introduced by ~~Council President Hirsch at the request of the County Executive~~

Legislative Session Day No. 00-35

Date: December 12, 2000

Council of Harford County, Maryland to adopt an administrative resolution that shall provide for the form of instrument by which any indebtedness or financing obligation is to be evidenced, the manner by which any indebtedness, line of credit, financing lease or similar obligation may be secured and the rate(s) of interest to be paid, whether the form of financing is to be sold at a public or private sale, and generally for such other matters as may be deemed appropriate by the County Council of Harford County, Maryland in connection herewith and authorizing the County Executive of Harford County, Maryland by Executive Order, to determine the form of various documents as are necessary to implement the financing authorized herein, the manner of issuance and delivery of any evidences of indebtedness, the payment of all necessary expenses in connection therewith, the method by

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on:

at:

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Council Administrator

**COUNTY COUNCIL
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which such evidences of indebtedness shall be sold, maturity schedule, and redemption provisions; authorizing the appointment of certain agents; and otherwise generally relating to the issuance, sale, delivery and payment of any such evidences of indebtedness or financing obligations; providing that such indebtedness shall be issued upon the full faith and credit of Harford County, Maryland; providing for the issuance of bond anticipation notes upon passage of a resolution by the County Council of Harford County, Maryland approving the interest rate or rates on said bond anticipation notes for all or a portion of the projects described herein, for which the proceeds of sale of the bond anticipation notes shall be used; providing that within twelve (12) months after the issuance of the bond anticipation notes, or any renewal thereof, the County Council of Harford County, Maryland shall

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on:

at:

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Council Administrator

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authorize the issuance of bonds to pay said bond anticipation notes; providing for disbursement of the proceeds of the sale of such bonds and for the levying of charges, assessments and all taxes necessary to provide payment of the of the principal and interest on such bonds; providing that certain additional matters may be determined by resolution of the County Council of Harford County, Maryland or may be reserved unto the County Executive as prescribed by such resolution; providing the method of fixing the interest rates to be borne by such bonds and generally providing for and determining various matters in connection therewith; and generally relating to funding of the Project.

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on:

at:

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, and concluded on _____.

_____, Council Administrator

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

WHEREAS, in accordance with the provisions of Section 406 of the Charter of Harford County, the Director of Planning has heretofore transmitted to the County Executive the recommendations of the Planning and Advisory Board for certain Capital Improvements; and

WHEREAS, in accordance with the provisions of Section 505 of the Charter of Harford County, the County Executive has reviewed such recommendations in light of the existing capital programs and the County Executive and the Director of Administration have included such recommendations for capital improvements, as amended, in the proposed Capital Program which has been submitted to the County Council of Harford County, Maryland and the County Council of Harford County, Maryland has adopted the Capital Program and Capital Budget for the year ended June 30, 2001, pursuant to Bill No. 00-16; and

WHEREAS, upon request of the County Executive and Resolution of the County Council of Harford County, Maryland, Harford County may sell bond anticipation notes in an amount not greater than the amount of debt authorized herein, in anticipation of the subsequent sale of the bonds, for all or a portion of the cost of the Project described herein in accordance with the provisions of Article 31, Section 12 of the Annotated Code of Maryland (1997 Replacement Volume, 1999 Supplement, 2000 Advance Code Service); and

WHEREAS, pursuant to Bill No. 00-62, passed by the County Council of Harford County, Maryland, prior to the passage of this Bill, the Capital Budget of Harford County, Maryland for the year ending June 30, 2001 was amended to include the Project.

WHEREAS, as a part of the said Capital Program and the said Capital Budget, it is necessary that Harford County, Maryland, borrow a sum not exceeding Three Million Five Hundred Thousand Dollars (\$3,500,000) to be used to finance a portion of the cost of the Project, including financial, legal and planning expenses related thereto; and

WHEREAS, the County Council of Harford County, Maryland has authority to incur debts on behalf of Harford County, Maryland; and

WHEREAS, the County Council of Harford County, Maryland is hereby authorized to enact an Ordinance adopted in accordance with Section 524 of the Charter of Harford County and other applicable provisions of law providing for the issuance and sale and for the designation, form, tenor, denomination, maturities, and the interest rates payable on any bonds or other form of indebtedness issued under this Ordinance; and to levy annually *ad valorem* taxes upon the assessable property within the County sufficient, together with other taxes and other available funds, to provide for the payment of the interest on and principal of any bonds so issued; and

WHEREAS, the proposed bond issue or other form of indebtedness is within the legal limitation on the indebtedness of Harford County, Maryland; and

WHEREAS, it is necessary to provide funds for the construction, reconstruction, improvement, extension, acquisition, alteration, repair and modernization, the cost of acquiring any sites, making site improvements, architectural and engineering services, including preparation of plans, drawings and specifications, the development of the grounds and landscaping thereof, financial, legal and planning expenses and all customary appurtenances and equipment for the Projects; and

WHEREAS, after written recommendation of the County Executive, public hearing and affirmative vote of at least four (4) members of the County Council of Harford County, Maryland, the capital budget was adopted and upon affirmative vote of at least five (5) members of the County Council of Harford County, Maryland, the Capital Budget as adopted was amended by Bill No. 00-62; and

WHEREAS, it is anticipated that the funds for the Project will consist of the following:

1. Bonds - \$3,500,000;

2. State of Maryland grant - \$1,000,000

3. United States Government grant - \$1,000,000

WHEREAS, the financing or indebtedness herein authorized, including the aggregate principal amount of bonds or other indebtedness in an amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000), and interest rate(s), shall be evidenced and incurred pursuant to a resolution or resolutions ("Resolution") to be adopted by the County Council of Harford County, Maryland upon written recommendation of the County Executive, pursuant to this Ordinance and other terms of sale, including, but not limited to maturity schedule, redemption provisions, form of bond, and date of sale shall be determined by the County Executive of Harford County, Maryland by Executive Order.

NOW, THEREFORE, IN ACCORDANCE WITH THE PROVISIONS OF THE CHARTER, THE CODE AND THE LAWS OF THE STATE OF MARYLAND:

SECTION 1. Be it enacted by the County Council of Harford County, Maryland that, acting pursuant to the authority of the Charter, the Code and the laws of the State of Maryland, Harford County, Maryland (the "County") hereby authorizes and approves the incurring of debt or the payment of purchase price or rental installments for the purpose of financing a portion of the cost of the Project, together with the acquisition of all necessary property rights and equipment, and all related architectural, financial, legal, planning, design and engineering expenses associated with the Project.

The principal amount of indebtedness to be incurred hereunder shall not exceed Three Million Five Hundred Thousand Dollars (\$3,500,000).

SECTION 2. And be it further enacted by the County Council of Harford County, Maryland that prior to the issuance, sale and delivery of any bonds, bond anticipation notes, notes, evidences of indebtedness, line of credit, financing lease or installment purchase

obligation in reliance on this Ordinance, the County Council of Harford County, Maryland shall (without limitation) determine administratively in the Resolution:

(a) the form of instruments or agreements by which the debt or financing authorized herein shall be evidenced (including, but not limited to, bonds, bond anticipation notes, notes, book entry, community participation bonds, letters of credit, trust agreements, trust indentures, financing or installment purchase lease or similar financing agreement, or participation in any "bond bank" or bond pooling arrangement administered by the State of Maryland or a subsidiary entity of it);

(b) the rate or rates of interest or method of determining such rate or rates; and

(c) whether the financing is to be accomplished by public sale, private (negotiated) sale or by private placement.

The Resolution shall be deemed to be of an administrative nature and shall be effective upon the date specified in the Resolution.

SECTION 3. And be it further enacted by the County Council of Harford County, Maryland that the County Executive of Harford County, Maryland shall determine the following matters by Executive Order:

(a) the principal amounts, date, denominations, maturity payment provisions and prepayment, tender and/or redemption provisions (if any) and other terms and conditions thereof;

(b) the substantially final form and contents and consent to the distribution (and shall authorize the execution and delivery, where applicable) of various agreements and documents as are necessary to implement the financing authorized herein, including, but not limited to, a Preliminary Official Statement and/or an Official Statement (if deemed appropriate by the County Executive), and in the event any evidence of indebtedness is sold through competitive bidding, a Notice of Sale, and in the event any evidence of indebtedness is sold by

private (negotiated) sale, a Purchase Contract with the Underwriter(s) thereof, and if any indebtedness is issued in book entry form, securities depository agreements, (collectively the "Documents"), required for the issuance, sale and delivery of any evidence of indebtedness or the completion of the financing authorized herein, which Documents shall contain such provisions as may be required by law or to consummate the financing authorized herein;

(c) the manner in which any evidence of indebtedness, lease financing or installment purchase obligation shall be executed, sealed and attested (which may be by facsimile signature and/or seal);

(d) provision for the payment of all necessary expenses of preparing, printing and selling any evidence of indebtedness and the Documents including, without limitation, any and all costs, fees and expenses incurred by or on behalf of the County in connection with the authorization, issuance, sale and delivery of any bonds or notes, and all costs incurred in connection with the development of the Documents, including the fees of counsel to the County, and compensation to any persons (other than full-time employees of the County) or entities performing services for or on behalf of the County in connection therewith and in connection with all other transactions contemplated by this Ordinance regardless of whether the proposed financing is consummated;

(e) the name or designation of the indebtedness, provided that unless otherwise designated, the indebtedness shall be known as Harford County Redevelopment Bonds of 2001;

(f) based upon the advice of bond counsel whether the indebtedness shall be sold as "tax exempt" or "taxable" financing.

(g) such other matters in connection with the consummation of the financing transactions contemplated by this Ordinance as may be deemed appropriate by the County Executive of Harford County, Maryland, including (without limitation) the appointment of

1 agents (including, but not limited to, trustees, paying agents, indexing agents and/or registrars) in
2 connection with the financing, the execution, acknowledgment, sealing and delivery of such
3 other and further agreements, documents and instruments, and the authorization of the officials
4 of the County to take any and all actions, as are or may be necessary or appropriate to
5 consummate the transactions contemplated by this Ordinance in accordance with the terms
6 hereof and of the Resolution.

7 (h) The Executive Order shall be effective upon the date specified in the
8 Executive Order.

9 SECTION 4. And be it further enacted by the County Council of Harford County,
10 Maryland that authority is hereby conferred respectively on the County Executive of the County,
11 the Director of Administration, the Treasurer, the County Attorney and the Council
12 Administrator of the County Council of Harford County, Maryland, or any of them, and they are
13 hereby directed to take the following actions on behalf of the County:

14 (a) to execute, acknowledge, seal and deliver the Documents substantially in
15 the forms determined administratively by the County Council of Harford County, Maryland in
16 the Resolution; and

17 (b) to execute, acknowledge, seal and deliver such other and further
18 certificates, certifications, agreements, documents and instruments and take such other acts as
19 they or any one or more of them may deem necessary or appropriate to consummate the
20 transactions contemplated by this Ordinance in accordance with the provisions hereof and of the
21 Resolution.

22 SECTION 5. And be it further enacted by the County Council of Harford County,
23 Maryland that the Treasurer, or his authorized deputy, is hereby authorized and empowered to
24 prepare and distribute copies of the Documents to any person who may, in his judgment, be
25 interested in participating in the financing of the Projects or who may request the same or

1 information with respect thereto; provided, however, that any preliminary official statement and
2 related material shall be clearly marked to indicate that they are subject to completion and
3 amendment.

4 SECTION 6. And be it further enacted by the County Council of Harford County,
5 Maryland that, in the event all or a portion of the Project is sold, the proceeds of sale, after
6 deducting the expense of sale, shall be applied to the principal balance then outstanding on the
7 Bonds, or other form of indebtedness.

8 SECTION 7. And be it further enacted by the County Council of Harford County,
9 Maryland that, the County hereby covenants and agrees, with each of the holders, from time to
10 time, of any of the bonds or other indebtedness, that it shall promptly cause to be levied against
11 all assessable property within the County annually, so long as any of the bonds or other
12 indebtedness are outstanding and not paid, an *ad valorem* tax sufficient in rate and amount to
13 provide for payment of such principal of, premium (if any) and interest on the bonds or other
14 indebtedness when due. Such tax shall be levied in accordance with the Charter. The County,
15 by the passage of this Ordinance, hereby covenants and agrees properly and promptly to perform
16 all of the respective acts and duties defined in the Charter for the levy and collection of the
17 aforesaid *ad valorem* tax upon all the assessable property within the corporate limits of the
18 County, as the levy and collection of such a tax becomes necessary in order to provide for the
19 payment of principal of, premium (if any) and interest on the bonds or other indebtedness.

20 SECTION 8. And be it further enacted by the County Council of Harford County,
21 Maryland that if the County Council of Harford County, Maryland determines in the Resolution
22 that it is in the best interests of the County to sell any evidence of indebtedness or lease financing
23 or installment purchase obligation by private (negotiated) sale, the County Council of Harford
24 County, Maryland hereby authorizes if deemed appropriate by the County Executive (a) the
25 appointment of an underwriter (the "Underwriter") in connection with the sale thereof, and (b)

the payment by the County to the Underwriter out of the proceeds of the sale thereof or otherwise for services rendered in connection therewith, such compensation to be determined in the Resolution.

SECTION 9. And be it further enacted by the County Council of Harford County, Maryland that the County Executive is hereby authorized and empowered for and on behalf of the County (a) to cause the preparation, printing, execution and delivery of the Documents, each substantially in the form provided in the Resolution or in the Executive Order of the County Executive, with such modifications, supplements or amendments thereto as may be recommended by counsel; and (b) to do all such things as may be necessary or desirable in the opinion of the County Executive in connection therewith.

SECTION 10. And be it further enacted by the County Council of Harford County, Maryland that nothing herein contained shall authorize the expenditure of County funds until such time as such expenditure shall have been appropriated by the County Council of Harford County, Maryland, and this Ordinance shall not be construed as authorizing or approving any project not otherwise authorized or approved by all appropriate legal authorization.

SECTION 11. And be it further enacted by the County Council of Harford County, Maryland that the term and maturity schedule of the bonds or other indebtedness may be changed, increased or decreased upon Executive Order of the County Executive, but the aggregate principal amount of indebtedness to be incurred shall not exceed Three Million Five Hundred Thousand Dollars (\$3,500,000).

SECTION 12. Be it further enacted by the County Council of Harford County, Maryland that if the indebtedness herein authorized is represented by bonds, which are sold at public sale, the bonds shall bear interest at the rate or rates named by the successful bidder for the bonds in accordance with a Notice of Sale authorized by the County Executive of Harford County, Maryland (the "County Executive"), approved by administrative resolution of the County

1 Council of Harford County, Maryland. Interest on the bonds will be payable by check or draft of
2 the Paying Agent mailed to the registered owners thereof. The bonds, when issued, shall be
3 executed in the name of the County, by the facsimile signature of the County Executive, and a
4 facsimile of the corporate seal of the County shall be imprinted on each of the bonds attested by
5 the facsimile signature of the Director of Administration of the County and the manual signature
6 of an authorized officer of the Bond Registrar. The facsimiles of said signature and said seal
7 shall be engraved, printed or lithographed on each of the bonds in accordance with, and pursuant
8 to the authority of Sections 2-301 through 2-306 inclusive of the State Finance and Procurement
9 Article of the Annotated Code of Maryland (1995 Replacement Volume and 1999 Cumulative
10 Supplement). If the indebtedness is represented by bonds, the bonds shall be subject to
11 registration as to principal and interest, in the name or names of the owner or owners thereof on
12 books kept for that purpose at the principal office of the Bond Registrar and the principal of the
13 bonds shall be payable upon presentation and surrender thereof at the principal office of the
14 Paying Agent or the ownership of the indebtedness may, pursuant to Executive Order of the
15 County Executive, be maintained by a book entry system. The Bond Registrar and Bond Paying
16 Agent shall be determined by Executive Order of the County Executive. Payment of interest on
17 the bonds shall be made by the Paying Agent on each payment date, to each person appearing on
18 the registration books of the County, maintained by the Bond Registrar, as the registered owner
19 thereof, by check or draft mailed to each such registered owner at his or her address as it appears
20 on such registration books. The approving opinion of bond counsel shall be delivered to the
21 purchaser of the bonds. The form of bond shall be approved by Executive Order of the County
22 Executive.

23 SECTION 13. Be it further enacted by the County Council of Harford County,
24 Maryland that if the indebtedness herein authorized is represented by bonds, and if the bonds are
25 sold at public sale, the bonds shall be sold by bids in sealed proposals and/or electronic bid form

to the bidder therefor for cash whose bid is deemed to be for the best interest of the County, Maryland, after giving at least ten (10) days' public notice by advertisement inserted twice in one or more daily or weekly newspapers having a general circulation in the County, said sale to be held not sooner than ten (10) days following the first insertion of said advertisement. The Award of the Bonds, if made, shall be approved by resolution of the County Council of Harford County, Maryland after written recommendation of the County Executive, to the bidder offering the lowest interest cost determined in accordance with the true interest cost method (TIC).

SECTION 14. Be it further enacted by the County Council of Harford County, Maryland that the official Notice of Sale, if any, shall be approved by Executive Order of the County Executive.

SECTION 15. Be it further enacted by the County Council of Harford County, Maryland that upon request of the County Executive, the County Council of Harford County, Maryland may, at any time, prior to the sale of these bonds, by administrative resolution(s), determine whether the bonds may be sold above or below par, whether bids may be accepted electronically or by facsimile, change the project to be constructed with the proceeds of sale of the bonds and the County Executive, by Executive Order may determine or change the Notice of Sale, date of sale, the date or location of bid opening, the dates of maturity or redemption of the bonds, the amount of the bonds to be sold (but not in excess of Three Million Five Hundred Thousand Dollars (\$3,500,000) and the amounts of bonds maturing in each year, the interest payment dates of the bonds, appoint paying agent(s) and/or registrar(s) for the bonds, whether ownership of the bonds or other indebtedness shall be maintained in book entry form, and the terms of sale of the bonds.

SECTION 16. Be it further enacted by the County Council of Harford County, Maryland that the interest rate or rates payable on the indebtedness shall be fixed by a resolution of the County Council of Harford County, Maryland in accordance with the terms and conditions of the

1 sale. The indebtedness or bonds shall thereupon be suitably printed or engraved and duly
 2 executed and delivered to the purchaser (or to the Depository Trust Company if the bonds are
 3 book entry) in accordance with the conditions of delivery set forth in the foregoing Notice of
 4 Sale (if the indebtedness is sold at public sale). The proceeds of the sale of the indebtedness,
 5 including any premium and accrued interest received therefor, shall be paid to the Department of
 6 the Treasury of Harford County and shall be deposited in a special account of the County. The
 7 County may, at its option, deduct from the gross proceeds received from the sale of the
 8 indebtedness the cost of issuing the same, including the cost of advertising, printing and
 9 professional fees (including legal) and expenses. There shall be deducted from the total gross
 10 proceeds received from the sale of the indebtedness the amount received on account of accrued
 11 interest on the bonds, which amount shall be set apart by the Treasurer of Harford County in a
 12 special fund and applied to the first maturing interest payment on the indebtedness. The balance
 13 of the proceeds of the sale of the indebtedness shall be expended only to finance the Project as
 14 set forth in this Bill and as more particularly described in the Annual Budget and Appropriation
 15 Ordinances of the County, as amended, by Bill No. 00-62 for the year ending June 30, 2001. If
 16 the funds derived from the sale of the indebtedness shall exceed the amount needed to finance
 17 said Project, the excess funds so borrowed and not expended by the County shall be applied by
 18 the County in payment of the next principal maturity of the indebtedness so issued, unless the
 19 County Council of Harford County, Maryland shall adopt a resolution or ordinance allocating
 20 said excess funds to finance any lawful modification of such Project, or to the extent then
 21 permitted by law, any other project lawfully undertaken by the County, as may be provided by
 22 subsequent resolution or ordinance approved by the County Council of Harford County,
 23 Maryland.

24 SECTION 17. Be it further enacted by the County Council of Harford County, Maryland
 25 that, for the purpose of paying the interest on, premium, (if any) and principal of the bonds or

other indebtedness authorized by this Ordinance, there is hereby levied and there shall hereafter be levied in each fiscal year that any of the bonds or other indebtedness are outstanding, *ad valorem* taxes on real and tangible personal property and intangible property subject to taxation by the County without limitation on rate or amount; and, in addition, upon such other intangible property as may be subject to taxation by the County within limitations prescribed by law, in an amount sufficient together with funds available from other sources, to pay the annual interest on the outstanding bonds or other indebtedness and to redeem the bonds or other indebtedness maturing during the succeeding year; and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the bonds or other indebtedness as and when they mature. The County by the passage of this Ordinance hereby covenants and agrees properly and promptly to perform all of the respective acts and duties defined in this Ordinance for the levy and collection of the aforesaid *ad valorem* tax upon all the assessable property within the corporate limits of the County, as the levy and collection of such a tax becomes necessary in order to meet the debt service requirements of Harford County Redevelopment Bonds of 2001. By this Ordinance, the County agrees to take all action it may be legally authorized and empowered to take in order to enforce, in any year in which any of the bonds or other indebtedness are outstanding, the guarantee of such bonds or other indebtedness by the County.

SECTION 18. Be it further enacted by the County Council of Harford County, Maryland that the County is hereby authorized and empowered from time to time to issue its Bond Anticipation Note or Notes on the full faith and credit and unlimited taxing power of the County in an amount not exceeding Three Million Five Hundred Thousand Dollars (\$3,500,000), the net proceeds of such sale to be used to finance part or all of the cost of the Projects; the sale of such Notes to be upon such terms as may be directed by resolution of the County Council of Harford County, Maryland.

Such Bond Anticipation Note or Notes or other evidence of indebtedness shall not have a maturity in excess of twelve (12) months from the date of issue.

The Treasurer of Harford County, Maryland, prior to the issuance of any such Bond Anticipation Note or Notes or other evidence of indebtedness of the County shall present the terms of such notes to the County Council of Harford County, Maryland for approval by Resolution of the County Council of Harford County, Maryland prior to the issuance of such Bond Anticipation Note or Notes.

The Bond Anticipation Note or Notes will bear interest at the rate or rates so negotiated by the Treasurer and approved by Resolution of the County Council of Harford County, Maryland and the Bond Anticipation Note or Notes when issued shall be issued in the name of the County by the signature of the County Executive, the corporate seal of the County shall be imprinted on such Bond Anticipation Note or Notes and such Bond Anticipation Note or Notes shall be used only for those purposes approved in a Resolution of the County Council of Harford County, Maryland adopted subsequent to the adoption of this Ordinance.

The Bond Anticipation Note or Notes shall not be issued in an amount greater than the amount of bonds or other indebtedness authorized in anticipation of the sale of which the Bond Anticipation Note or Notes are issued and sold.

The principal of and interest on the Bond Anticipation Note or Notes shall be payable out of the first proceeds of sale of the bonds, or from the tax or other revenue which the County shall previously determine to apply to the payment of the bonds and interest thereon.

Twelve (12) months interest on the Bond Anticipation Note or Notes or any renewal thereof may be paid from the proceeds of the Bond Anticipation Note or Notes from the proceeds of sale of the bonds accounting from the initial date of issue thereof.

By resolution adopted by the County Council of Harford County, Maryland, the County may provide for the renewal of the Bond Anticipation Note or Notes at maturity with or without resale.

Immediately after the sale of the Bond Anticipation Note or Notes and approval by resolution of the County Council of Harford County, Maryland, the proceeds of sale of such Bond Anticipation Note or Notes, after payment of expenses of issuing the same, shall be paid to the Department of the Treasury of Harford County, Maryland. The proceeds of sale of the Bond Anticipation Note or Notes shall be expended only to finance the Projects as defined above.

SECTION 19. Be it further enacted by the County Council of Harford County, Maryland in the event the indebtedness authorized by this Bill is sold as "tax exempt" financing, pursuant to Treasury Regulations 1.150-2, governing the use of bond proceeds for the purpose of reimbursing expenditures paid prior to the issuance of bonds, and as permitted by Treasury Regulations 1.150-2(e)(1), the Treasurer of Harford County, Maryland is hereby duly designated to make declarations of Official Intent on behalf of the County. The County expects that all or a part of the capital expenditures for the Projects will be paid prior to the issuance of the Bonds, and that the proceeds of the Bonds will be used to reimburse the County for capital expenditures paid prior to the issuance of the Bonds. The County reasonably expects to reimburse a portion of the capital expenditures for the Projects with proceeds of the Bonds, in the maximum principal amount of Three Million Dollars (\$3,000,000), and this Ordinance shall be available for public inspection at the offices of the County during regular business hours and in accordance with the laws of the State of Maryland and the County, regarding access to public records.

SECTION 20. Be it further enacted by the County Council of Harford County, Maryland in the event the indebtedness authorized by this Bill is sold as "tax exempt" financing that the County covenants and agrees with the registered owners, from time to time, of the Bonds as follows:

1 (a) The County covenants that it will not make any use of the proceeds of any of
2 the Bonds or any moneys, securities or other obligations on deposit to the credit of the County or
3 otherwise which may be deemed by the Internal Revenue Service to be proceeds of any of the
4 Bonds pursuant to the Internal Revenue Code of 1986, as amended, and Income Tax Regulations
5 thereunder (collectively, the "Code"), which would cause any of the Bonds to be "arbitrage
6 bonds" or "private activity bonds" within the meaning of the Code.

7 (b) The County further covenants that it will comply with those provisions of the
8 Code which are applicable to the Bonds on the date of issuance of the Bonds and which may
9 subsequently lawfully be made applicable to the Bonds. To the extent that provisions of the
10 Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or
11 other obligations deemed to be proceeds, it is intended that the covenants of the County
12 contained in this Section 19 be construed so as to require the County to comply with the
13 provisions of the Code only to the extent of such applicability.

14 (c) The County further covenants that it will not (i) take any action, (ii) fail to
15 take any action, or (iii) make any use of the proceeds of any of the Bonds which would cause the
16 interest on any of the Bonds to be or become subject to federal income taxes in the hands of the
17 registered holders of any of the Bonds.

18 (d) The County further covenants, in order to assist bidders in complying with
19 SEC Rule 15c2-12(b)(5), pursuant to a continuing disclosure agreement (the "Continuing
20 Disclosure Agreement") signed by the County Executive, Treasurer and Director of
21 Administration, to provide annual reports and notices of certain events. The undertaking of the
22 County in the Continuing Disclosure Agreement shall be described in any Preliminary Official
23 Statement and Official Statement and any amendment or supplement thereto.

24 SECTION 21. Be it further enacted by the County Council of Harford County, Maryland
25 that upon recommendation of the County Executive, the County Council of Harford County,

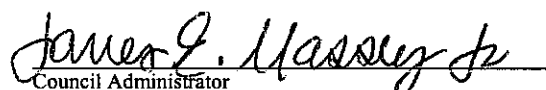
Maryland may adopt a resolution pursuant to Article 31, Section 2C of the Annotated Code of Maryland (1998 Replacement Volume, 1999 Supplement) authorizing the loan authorized to be incurred and the bonds authorized to be sold by this Ordinance, to be consolidated for sale and issued, sold and delivered as a single issue of bonds with other bonds authorized to be sold to finance capital projects described in the Annual Budget and Appropriation Ordinances, as amended, for the current fiscal year and/or prior fiscal years.

SECTION 22. Be it further enacted by the County Council of Harford County, Maryland that the provisions of this Ordinance are severable, and if any provision, sentence, clause, section or part hereof is held illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Ordinance would have been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included herein, as if the person or circumstances to which this Ordinance or any part hereof are inapplicable had been specifically exempted therefrom.

SECTION 23. And be it further enacted by the County Council of Harford County, Maryland that this Ordinance shall take effect sixty (60) calendar days from the date it became law.

EFFECTIVE: March 19, 2001

The Council Administrator of the Council does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.


Council Administrator

BILL NO. 00-65

HARFORD COUNTY BILL NO. 00-65

Brief Title) Bond Anticipation Note - Washington Court Apartments

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

ENROLLED

James E. Massey, Jr.
Council Administrator

[Signature]

Date January 9, 2001

Date 1-9-01

BY THE COUNCIL

Read the third time.

Passed: LSD 01-03 (January 9, 2001)

Failed of Passage:

By Order

James E. Massey Jr.
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 11th day of January, 2001, at 4:00 p.m.



James E. Massey Jr.
Council Administrator

BY THE EXECUTIVE

James M. Harkins

COUNTY EXECUTIVE

APPROVED: Date 1-16-01

BY THE COUNCIL

This Bill (No. 00-65), having been approved by the Executive and returned to the Council, becomes law on January 16, 2001.

James E. Massey Jr.
Council Administrator

EFFECTIVE DATE: March 19, 2001

BILL NO. 00-65